

Message Text

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21

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 /081 W

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R 180633Z OCT 75

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 9266

INFO AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ELAB, PINT, SW, FI, GW

SUBJECT: METALWORKERS' ELECTIONS: SDP EXPLAINS

FUND SMUGGLING AFFAIR

REF: (A) HELSINKI 2253 (B) STOCKHOLM 5220 (C) HELSINKI 2253

1. BEGIN UNCLASSIFIED: EXECUTIVE BOARD OF FINNISH
SOCIAL DEMOCRATIC PARTY (SDP) DEVOTED MOST OF ITS
REGULAF THURSDAY (OCTOBER 16) MEETING TO FUND
SMUGGLING AFFAIR. IMMEDIATELY THEREAFTER PARTY LEADERS,
INCLUDING BUDGET CHIEF PENTTI KETOLA WHO WAS CAUGHT
WITH FUNDS AT STOCKHOLM'S AIRPORT OCTOBER 5, MET
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PRESS TO MAKE FULL EXPLANATION OF EVENTS.

2. SDP'S PRESS STATEMENT NOTED THAT 1975 HAS BEEN UNUSUALLY DIFFICULT ECONOMICALLY FOR PARTY -- WITH TRIENNA PARTY CONGRESS IN JUNE, PREMATURE PARLIAMENTARY ELECTIONS IN SEPTEMBER, AND METALWORKERS UNION ELECTIONS IN NOVEMBER. SINCE MEMBERSHIP DUES WERE RAISED LESS THAN ANTICIPATED AND CREDIT POSSIBILITIES DRAMATICALLY WEAKENED, THE PARTY'S BUDGET CHIEF FELT THE COMING METALWORKERS ELECTIONS WOULD PUT AN UNBEARABLE STRAIN ON THE PARTY'S RESOURCES. THUS HE EXAMINED THE POSSIBILITIES OF OBTAINING SPECIAL FUNDS FOR THE METALWORKERS ELECTIONS FROM THE INTERNATIONAL LABOR MOVEMENT BY WORKING THROUGH THE SWEDISH SOCIAL DEMOCRATIC PARTY. WHEN HE FINALLY RECEIVED AN AFFIRMATIVE RESPONSE KETOLA WENT AT ONCE TO SWEDEN TAKING WITH HIM LAURI METSAMAKI AS INTERPRETER. BEING UNFAMILIAR WITH SWEDISH CURRENCY REGULATIONS KETOLA THOUGHT IT BEST TO TAKE THE SUM BACK TO FINLAND IN CASH AND DIVIDED THE MONEY AMONG HIS TRAVELLING COMPANIONS. SDP STATEMENT EMPHASIZES THAT MONEY WAS INTENDED FOR METALWORKERS, NOT PARTY PER SE, AND THAT THERE IS NO EVIDENCE MONEY'S ORIGIN IS ANY OTHER THAN FROM LABOR MOVEMENT CIRCLES. CHARGES OF CIA AND SOCIAL DEMOCRATIC COOPERATION ARE COMPLETELY WITHOUT FOUNDATION AND ARE MADE IN AN EFFORT TO DAMAGE THE SDP.

3. THE EXECUTIVE COMMITTEE CONSIDERS KETOLA TO HAVE ACTED IN GOOD FAITH ALTHOUGH HE HAD NOT INFORMED THE PARTY LEADERSHIP IN ADVANCE. THE METHOD OF TRANSFERRING THE FUNDS -- WHICH WAS THE ONLY BREACH OF REGULATIONS -- IS FOR THE SWEDISH AUTHORITIES TO EXAMINE AND RESOLVE, ACCORDING TO THE SDP. IN A TICAIT ADMISSION OF INADEQUATE PROCEDURES THE SDP SIMULTANEOUSLY ANNOUNCED THE FORMATION OF A HIGH-LEVEL COMMITTEE TO MAKE RECOMMENDATIONS REGARDING THE PRINCIPLES OF FUNDING PARTY ACTIVITIES AS WELL AS FOR THEIR PROPER FISCAL AND POLITICAL CONTROL.

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4 IN PRESS CONFERENCE THERE WERE SEVERAL QUESTIONS WHICH ELICITED MORE PRECISE EXPLANATION FROM KETOLA AS TO WHY MONEY WAS HANDLED AS IT WAS. HE WAS GIVEN MONEY IN CASH ON SUNDAY A FEW HOURS BEFORE HIS PLANNED DEPARTURE. CURRENCY REGULATIONS WERE NOT DISCUSSED WHEN MONEY WAS HANDED OVER ACCORDING TO KETOLA, WHO DOES NOT SPEAK SWEDISH. ALTHOUGH IT

WAS ONLY OCCASION HE COULD RECOLLECT IN EIGHT YEARS AS PARTY TREASURER THAT MONEY HAD BEEN SO RECEIVED IN CASH IT DIDN'T OCCUR TO HIM TO USE A BANK "SINCE THEY'RE NOT OPEN ON SUNDAYS". ASKED BY TV INTERVIEWER ABOUT CIA-CONNECTION KETOLA INSTANTLY DISMISSED IT AS "IMPOSSIBLE". END UNCLASSIFIED.

5. BEGIN LOU: COMMENT: THE SDP HAS CLEARLY THROWN KETOLA TO THE WOLVES AND DESPERATELY HOPES ITS EXPLANATIONS WILL WRITE FINIS TO THE STORY. PRESS TREATMENT, EXCEPT IN THE SMALL-CIRCULATION ORGANS OF THE COMMUNIST PARTY'S STALINIST WING, HAS LOST ITS SENSATIONAL CHARACTER AND SENSE OF PROPORTION HAS BEGUN TO RETURN TO THE GENERAL PUBLIC'S IMPRESSION OF THE AIFFAIR.
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